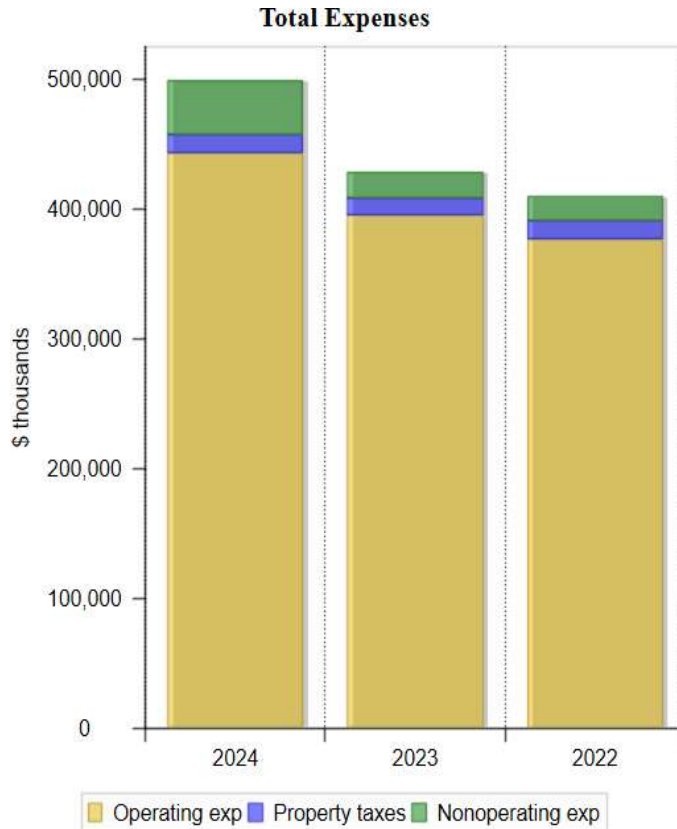


Port of Houston Authority
2024 Expenses (\$000's)

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating expenses:			
Maintenance and operations of facilities	259,212	240,332	236,575
General and administrative	73,793	57,415	54,335
Depreciation and amortization	110,007	97,170	85,588
Nonoperating expenses:			
Contributions to state and local agencies	89	1,463	8,414
Interest Expense on Revenue Bonds	26,918	17,750	9,681
Loss on disposal of assets	13,491	5	33
Other	1,046	223	76
Nonoperating expenses related to property taxes:			
Interest expense on unlimited tax bonds	12,317	12,229	13,002
Property tax collection expense	830	1,100	1,100
Other	<u>1,114</u>	<u>326</u>	<u>417</u>
Total Expenses	<u>498,817</u>	<u>428,013</u>	<u>409,221</u>



For fiscal 2024, Operating expenses increased \$48,095, or 12%, primarily due to increased wages driven by an increase in headcount of 7% and annual compensation increases. Engineering consulting fees for sediment sampling reporting and permitting, and equipment rental, also contributed to the increase. General and administrative expenses increased by \$16,378 or 29%, primarily due to a Port initiative upgrading our current enterprise system J.D. Edwards to a new cloud-based system, Workday. This upgrade is commonly referred to as 'NEXGEN'. There were also additional software costs, along with increased computer purchases and employee costs related to headcount. Depreciation\amortization increased by \$12,837 or 13% due primarily to higher depreciation costs of \$12,272 related to various Wharves, Container Cranes and RTG Cranes. Amortization is higher by \$565.

Nonoperating expenses related to property taxes, reflecting predominantly interest expense on unlimited tax bonds, increased \$606 due to bonds maturing; there were no new general obligation bonds issued in 2024.

Nonoperating expenses in 2024 increased \$22,103 primarily due to a loss on disposal for the Cruise Terminal Building of \$13,486 and an increase in revenue bond interest expense of \$9,168 partially offset by revenue bond premium amortization of \$1,416 and a decrease in Contributions to State and Local Governments of \$1,374.